

WHAT IS AN ENFORCEABLE COMMITMENT LETTER?

Sections 309(a)(3) and 310(a)(3) both require Enforceable Funding Commitment Letters in order for an applicant to receive the maximum project readiness points under this criteria. So, what constitutes an enforceable funding commitment letter that will be deemed complete and acceptable with regards to the Infill Infrastructure Grant (IIG) Program evaluation?

Documentation of financing commitments must contain the following:

1. The borrower's name.
2. The project name (if any).
3. The project site address, assessor's parcel number, or legal description; and
4. The amount, interest rate, and terms of the financing being committed.

The letter may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional.

Examples of unacceptable general conditions include phrases such as "subject to senior management approval", or a statement that omits the word "commitment" but instead indicates the lender's "willingness to process an application" or indicates that financing is subject to loan committee approval of the project.